

# MONTANA PUBLIC EMPLOYEES' RETIREMENT BOARD

TITLE: Non-Union Pay Plan

POLICY NO: BOARD Prsnl 04 EFFECTIVE DATE: 09/13/2007

## I. POLICY AND OBJECTIVE

Article VIII, section 15(b), of the Constitution of the State of Montana delegates to the Public Employees' Retirement Board (Board) the fiduciary responsibility to administer the various retirement systems the Board governs. The Board's constitutionally-imposed responsibility includes setting compensation for supervisory- and management-level staff and other non-union staff at a rate that will attract and retain experienced and competent employees. Accordingly, this policy's objective is to provide a structure for that compensation in a way that takes into account not only staff's competencies and accomplishments but also nationwide public pension plan market factors to the extent reasonably available.

## II. APPLICABILITY

This policy applies to MPERA positions that are not covered by the negotiated agreement between the Board and the Montana Public Employees Association.

## III. PAY PLAN

- A. Pay Ranges. The pay ranges are derived from the McLagan 2006 Core salary survey, reduced 15%, for those positions covered by that salary survey. For those positions not covered by the McLagan 2006 Core salary survey who supervise other full-time employees, the pay ranges are derived from the State Personnel Department's salary survey increased by 8%. For those positions who supervise less than a full-time equivalent employee, the increase will be a percentage of the 8% increase that is proportional to the hours worked for them by the employees they supervise. The pay ranges for other positions are based on the State Personnel Department's salary survey without alteration. The following pay ranges will be used for the July 1, 2007 – June 30, 2009 biennium:

<b>Occupational Pay Bands</b>				
<b>Band</b>	<b>Title</b>	<b>Minimum</b>	<b>Midpoint (Market)</b>	<b>Maximum</b>
8	Executive Director	\$92,412	\$115,515	\$138,618
8	Legal Counsel	69,700	87,125	104,550
7	Fiscal Services Bureau Chief	60,928	76,160	91,392
7	Member Services Bureau Chief	53,244	66,555	79,866
7	DC Plans/Education Bureau Chief	56,372	70,465	84,558
7	Information Systems Manager	70,040	87,550	105,060
6	Accounting/Financial Supervisor	36,469	45,586	54,703
6	Internal Auditor	33,852	42,315	50,778
5	Active Database Manager	39,572	49,465	59,358
5	DC Accountant	29,223	36,529	43,835
5	Benefit Specialist/Supervisor	29,581	36,976	44,371
3	Executive Assistant	24,638	30,798	36,958

- B. Compensation adjustments. Employees may progress to market pay and beyond according to the occupational pay band contained under Section III(A) (provided they are not under corrective action) based on the following factors:
1. Their satisfactory performance, skills and competencies as documented through MPERA's established evaluation processes;
  2. Their applicable experience;
  3. Internal equities; and
  4. External competitiveness.
- C. Hiring rates. Employees new to state government will typically be hired at 80 percent of the market for the occupation. In determining a new employee's hiring rate above 80 percent, the Board or the Executive Director, or a designee, shall consider criteria such as: the employee's job-related qualifications and competencies; existing salary relationships within the job class, band and work unit; MPERA's ability to pay; and the competitive labor market.
- D. Training assignments. The Executive Director or designee may establish written training assignments to enable an employee to

gain the additional experience and training required for the job. In these cases, the Executive Director or designee may set the employee's base pay rate below the occupational pay band minimum set in section III(A) for a period of time not to exceed two years. At the completion of the training assignment, the employee's pay will be set no less than the entry rate of pay for the occupational pay band.

E. Promotions:

1. Promotions into positions in a higher pay band. A promoted employee will receive at least a 10 percent pay increase or move to the entry of the higher pay band, whichever is greater. The Board or the Executive Director, or their designee, may pay an amount higher than entry if determined appropriate after considering criteria such as: the employee's job-related qualifications and competencies; existing salary relationships within the job class, pay band and work unit; MPERA's ability to pay; the length of time the employee has worked at MPERA; and the competitive labor market.
2. Promotions into positions in the same pay band. Employees who temporarily or permanently promote to a position in the same pay band but with a higher market rate may maintain the target pay rate of their previous position.

F. Demotions. In the situation where an employee is demoted to a position in a lower pay band, if the maximum salary of the newly-assigned band is lower than the employee's current base salary, the Executive Director will allow the employee's pay rate to be protected up to a period of 180 calendar days. After the 180-day period, the Executive Director shall set the employee's salary at a rate based on the employee's satisfactory performance, skills and competencies as documented through MPERA's established evaluation processes.

G. Wage Adjustments. The Board at its discretion may utilize the wage adjustment components described in section V of the October 1, 2007, State Personnel broadband pay plan policy.

#### **IV. CROSS REFERENCES**

The following laws, rules or policies may contain provisions that apply to this policy. The list should not be considered exhaustive – others may also apply.

Montana constitution Article VIII, Section 15  
Title 2, Chapter 18, MCA  
Section 19-2-404, MCA

#### **V. HISTORY**

Originally approved September 2007

**Addendum A**  
**Competency Pay Guidelines**  
(reserved for future use)